

Message Text

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ACTION ARA-10

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O R 282215Z JAN 77

FM AMEMBASSY KINGSTON

TO SECSTATE WASHDC IMMEDIATE 3888

INFO AMEMBASSY BRIDGETOWN

AMEMBASSY GEORGETOWN

AMEMBASSY LONDON

AMEMBASSY MOSCOW

AMEMBASSY NASSAU

AMEMBASSY PORT

C O N F I D E N T I A L SECTION 1 OF 2 KINGSTON 0454

FROM AMBASSADOR

E.O. 11652: XGDS-3

TAGS: PINT, PINS, PFOR, PGOV, ECON, JM, US, XX

SUBJECT: JAMAICA: AN OVERVIEW

REFERENCE: STATE 016158 (NOTAL)

1. THE PRESENT SITUATION. AS THE YEAR BEGINS, WE CONFRONT THE
FOLLOWING SITUATION:

POLITICALLY: JAMAICA HAS REACHED A KIND OF CLIMACTERIC. THE
DECEMBER ELECTION RETURNED THE PEOPLE'S NATIONAL PARTY (PNP) WITH
AN OVERWHELMING PARLIAMENTARY MAJORITY ALBEIT BASED ON A SOMEWHAT
TAINTED 57 PERCENT OF THE POPULAR VOTE. INsofar AS DOMESTIC
DEVELOPMENTS ARE CONCERNED, THE PNP CAN NOW MOVE MORE QUICKLY TO
ESTABLISH "DEMOCRATIC SOCIALISM". THE GOVERNMENT HAS MADE CLEAR
ITS INTENT TO ESTABLISH EXTENSIVE STATE CONTROL OF THE ECONOMY.
JUST HOW FAR IT WILL GO IN OTHER AREAS IS STILL UNCERTAIN BUT
THOSE ADVOCATING EXTENSIVE CONTROL AND INTERVENTION BY THE STATE
(AND BY THE PARTY) HAVE THE ADVANTAGE OF YOUTH AND ENERGY -- AND
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A MORE COHERENT IDEA OF THE POLITICO-ECONOMIC SYSTEM THEY WANT.
WHILE PRIME MINISTER MANLEY IS A CHARISMATIC FIGURE, HIS LEADER-
SHIP MAY CONSIST IN AN UNCOMFORTABLY LARGE PART OF SIMPLY STAYING
AHEAD OF HIS PARTY'S RADICALS RATHER THAN IN GUIDING THE NATION
INTO NEW WAYS. IN EXTERNAL AFFAIRS, JAMAICA WILL NOW FEEL EVEN
MORE FREE TO PURSUE THIRD WORLD INTERESTS, PARTICULARLY IN REGARD
TO TRADE AND OTHER ECONOMIC MATTERS. IN ADDITION, THE MANLEY

GOVERNMENT DEEMS ITS POLICY OF CLOSE TIES WITH CUBA TO HAVE BEEN RATIFIED, AND IS EXPECTED TO SEEK NEW ECONOMIC AND POLITICAL TIES WITH THE "SOCIALIST" NATIONS.

ECONOMICALLY, JAMAICA VERGES ON BANKRUPTCY. ITS STEADILY ADVERSE BALANCE-OF-TRADE AND GROWING DEBT SERVICE BURDEN HAVE MADE ITS BALANCE-OF-PAYMENTS POSITION ONE OF DEEPENING DEFICITS. ANY SOLUTION TO ITS PROBLEM REQUIRES FAR GREATER AUSTERITIES THAN HAVE BEEN ADOPTED TO DATE. BUT AUSTERITIES ARE NOT ENOUGH. IN THE END, JAMAICA REQUIRES MUCH INCREASED PRODUCTION (AND PRODUCTIVITY), AND IN LIGHT OF ANTICIPATED SHORTAGES, INFLATION, AND BUREAUCRATIC CONSTRAINTS ALMOST EVERY PROGRAM THE GOVERNMENT IMPLEMENTS WILL RELY ON COOPERATION FROM THE COUNTRY'S TRADE UNIONS. OBTAINING THEIR COOPERATION MAY BE THE MOST FORMIDABLE OBSTACLE FACING MANLEY.

SOCIOLOGICALLY: JAMAICA SEEKS ITSELF. JAMAICANS ARE SELF-ENCUMBERED BY THE HERITAGE OF THE SLAVE ERA AND COLONIAL RULE. WORK IS VIEWED AS BENEFITTING ANOTHER AND YET HABITS OF DEPENDENCE PERSIST. THUS, WHILE RECOGNITION OF THE NEED FOR INCREASED PRODUCTIVITY IS RESISTED, THE BELIEF THAT JAMAICA DESERVES SUPPORT AND ASSISTANCE PERSISTS. THESE ATTITUDES ARE INTENSIFIED BY OTHER DEVELOPMENTS. BECAUSE OF THEIR FAMILIARITY WITH NORTH AMERICA, JAMAICANS ENTERTAIN ASPIRATIONS WHICH FEW OF THEM CAN REALISTICALLY HOPE TO FULFILL; THE RESULT IS WIDESPREAD FRUSTRATION, AND INEVITABLY ENVY OF THE MATERIALLY MORE ADVANCED, WHETHER AT HOME OR ABROAD. JAMAICA, LIKE OTHER DEVELOPING COUNTRIES, IS UNDERGOING VERY SUBSTANTIAL INTERNAL MIGRATION, MOSTLY TOWARD THE KINGSTON METROPOLITAN AREA. AS A RESULT, SOCIAL

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DISEQUILIBRIUM IS EPIDEMIC. ADDITIONALLY, ATTACKS ON THE PRIVATE SECTOR HAVE LED TO A SUBSTANTIAL EMIGRATION OF THE MIDDLE (READ PRODUCTIVE) CLASS, THOSE REMAINING ARE IN VARIOUS STAGES OF PLANNING FOR THEIR OWN EXODUS. THE MOOD BORDERS ON PANIC.

3. INTERESTS AND OBJECTIVES. AMERICAN INTERESTS IN JAMAICA ARE GREATER THAN THE ISLAND'S LIMITED SIZE AND POPULATION WOULD SEEM TO SUGGEST. ECONOMICALLY, OVER AT LEAST THE NEXT FIVE YEARS, WE WILL WANT TO KEEP ACCESS TO JAMAICA'S BAUXITE AND ALUMINA. AT THE MOMENT, THIS NEED ON OUR PART IS MATCHED BY THE JAMAICANS' NEED FOR AN AMERICAN MARKET FOR THEIR BAUXITE AND ALUMINA; CREATION OF AN ALTERNATIVE MARKET WOULD POSE A DISTINCT PROBLEM FOR AMERICAN ALUMINUM PRODUCERS. POLITICALLY, WE HAVE NO DOMESTIC INTEREST BEYOND A DESIRE TO SEE JAMAICA DEVELOP IN A MANNER WHICH CONTRIBUTES TO ITS OWN STABILITY AND PRODUCTIVITY; HERE OUR ASSISTANCE PROGRAM CAN CONTRIBUTE marginally. HOWEVER, EXTERNALLY WE DO

SEEK A JAMAICA WHICH CONTRIBUTES CONSTRUCTIVELY TO

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C O N F I D E N T I A L SECTION 2 OF 2 KINGSTON 0454

FROM AMBASSADOR

OUR LARGER INTERESTS IN THE THIRD WORLD IN GENERAL
AND IN THE CARIBBEAN IN PARTICULAR. OUR INTERESTS
WOULD BE WELL SERVED BY A JAMAICA WHICH PLAYS A
MODERATING ROLE AMONG THIRD WORLD NATIONS,
PARTICULARLY SINCE IT CAN BE AN EFFECTIVE AND
ENERGETIC ADVOCATE. OUR INTERESTS WOULD ALSO
BE WELL SERVED WERE JAMAICA TO HALT ITS PRESENT,
APPARENTLY QUICKENING DRIFT TOWARD CLOSER TIES WITH
CUBA AND OTHER "SOCIALIST" NATIONS.

4. THE QUALITY OF OUR RELATIONSHIP. PURSUIT OF
OUR INTERESTS IN JAMAICA HAS BECOME AN INCREASINGLY
DIFFICULT AND LESS REWARDING TASK OVER THE LAST
TWO YEARS. THE JAMAICAN GOVERNMENT HAS MOVED
STEADILY TOWARD CLOSER IDENTIFICATION WITH CUBA,
SEEING IN THE CUBAN EXPERIENCE LESSONS WHICH ARE
RELEVANT TO JAMAICA'S ECONOMIC AND SOCIAL PROBLEMS,
AND EVEN ITS POLITICAL NEEDS. IT HAS CONCLUDED
THAT IT SHARES WITH OTHER THIRD WORLD NATIONS
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INTIMATE IDENTIFICATION ON THE MORE FUNDAMENTAL INTERNATIONAL ISSUES. BOTH OF THESE FACTORS WOULD HAVE MADE MORE DIFFICULT THE PROMOTION AND PROTECTION OF OUR INTERESTS. HOWEVER, ADDED TO THEM HAS BEEN A WILLINGNESS ON THE PART OF THE MANLEY GOVERNMENT (AND HIS PARTY) TO ALLEGE -- SOMETIMES IMPLICITLY, SOMETIMES EXPLICITLY -- THAT THE UNITED STATES HAS BEEN ENGAGED IN EFFORTS TO UNDERMIND BOTH ITS FOREIGN AND DOMESTIC POLICIES. THUS, WE HAVE HAD ITS ACTIVE PROMOTION OF THE "DESTABILIZATION" CHARGES, AND ITS ENCOURAGEMENT OF THE PHILIP AGEE ACCUSATIONS. ALTHOUGH THE RESIDUE OF GOODWILL TOWARDS THE UNITED STATES ON THE PART OF MANY JAMAICANS, INCLUDING SOME MODERATES WITHIN THE PNP, IS SUBSTANTIAL, IT WOULD NOT BE ENOUGH TO COMPEL THE GOVERNMENT -- OR AT LEAST THE ENERGETIC RADICALS WITHIN ITS RANKS -- TO TEMPER THE CHARGES. ACCUSED -- OFTEN SIMPLY BECAUSE OF OUR LEADING POSITION AMONG THE DEVELOPED NATIONS -- OF SEEKING TO SUBVERT THE JAMAICAN GOVERNMENT FOR "IMPERIALIST" AND "CAPITALIST" ENDS, WE FREQUENTLY HAVE FOUND IT HARD TO PERSUADE THE JAMAICANS OF THE WISDOM OF AMERICAN POSITIONS. WITH THE ELECTIONS NOW OVER AND THE PNP RETURNED TO OFFICE, MORE EFFECTIVE RELATIONS COULD BE POSSIBLE. HOWEVER; WE CANNOT BE OPTIMISTIC; THE UNITED STATES WILL CONTINUE TO BE A CONVENIENT WHIPPING BOY AS THE NEW GOVERNMENT'S DIFFICULTIES INCREASE AND THE PUBLIC GROWS RESTIVE.

5. ISSUES, PRESENT AND PROSPECTIVE. SETTING ASIDE: (A) THE VARIETY OF MULTILATERAL ISSUES REGARDING WHICH WE TAKE DIFFERING POSITIONS FROM THE JAMAICANS, AND (B) THE DAMAGING EFFECT OF THE JAMAICAN PROCLIVITY TO CHARGE THE UNITED STATES WITH ACTS AND ATTITUDES HARMFUL TO THEIR COUNTRY, THERE ARE A NUMBER OF OTHER ISSUES AND/OR PROBLEMS WHICH ARE OR COULD

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PROVE IMPORTANT TO OUR RELATIONS.

THE EFFECTIVE CONTROL OF DRUG TRAFFICKING IS A STEADY PROBLEM. ALTHOUGH IN THE PAST WE HAVE HAD THE COOPERATION OF THE JAMAICAN GOVERNMENT, THE DEPTH OF ITS COMMITMENT IS WEAK AND MAY WAVER FURTHER. MOREOVER, THE PRESENCE OF DEA PERSONNEL MAY RAISE PROBLEMS.

OUR ASSISTANCE RELATIONSHIP REQUIRES REDEFINITION. THE JAMAICAN GOVERNMENT MAY PRESENTLY BELIEVE THAT IT MAY LOOK TO

THE CARTER ADMINISTRATION FOR A GREATER MEASURE OF ASSISTANCE, POSSIBLY EVEN BUDGET SUPPORT. WE WILL NEED TO REDEFINE THE CHARACTER OF THE ASSISTANCE WE THINK APPROPRIATE TO EXTEND (I.E., HOW MUCH DEVELOPMENTAL, HOW MUCH HUMANITARIAN). WE MUST CONSIDER OUR EFFORTS WITHIN THE CONTEXT OF THE IMF'S ROLE IN JAMAICA AS WELL AS WITH RESPECT TO THE EFFECTIVENESS OF OUR BILATERAL RELATIONS.

OUR RELATIONSHIP WITH JAMAICA IN BOTH POLITICAL AND ASSISTANCE TERMS COULD BE AFFECTED WERE THE PRESENT EFFORTS TO REVIVE THE ECONOMY INVOLVE NATIONALIZATION OF AMERICAN INVESTMENTS ON TERMS WHICH ARE ESSENTIALLY EXPRIPRIATORY. THIS HAS NOT YET OCCURRED, AND WE THINK THAT THE JAMAICAN GOVERNMENT WOULD TRY TO AVOID SUCH A STEP.

THE NEW GOVERNMENT HAS ANNOUNCED ITS INTENTION TO RESTRUCTURE THE POLITICAL, ECONOMIC AND SOCIAL INSTITUTIONS OF JAMAICA. THIS PROCESS HAS ALREADY ENCOUNTERED CONSIDERABLE OPPOSITION, AND WE MUST BE PREPARED FOR THE FURTHER, POSSIBLY DRAMATIC EROSION OF HUMAN RIGHTS. THE IMPACT OF SUCH ON BOTH OUR ASSISTANCE AND DIPLOMATIC RELATIONSHIPS IS SELF-EVIDENT.

PERHAPS THE POTENTIAL PROBLEM OF GREATEST CONCERN TO THE UNITED STATES WOULD BE CURTAILMENT OF ACCESS TO JAMAICAN BAUXITE AND ALUMINA. THIS COULD RESULT FROM ACTION BY THE GOVERNMENT; THIS SEEMS UNLIKELY, BUT CANNOT BE IGNORED COMPLETELY. A MORE CONFIDENTIAL

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LIKELY DANGER WOULD ARISE OUT OF LABOR UNREST, OR EVEN A COLLAPSE OF PUBLIC ORDER; IN THIS SITUATION JAMAICA'S MINING AND REFINING INDUSTRY MIGHT BE BROUGHT TO A HALT.
GERARD

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